

The following described lands will be offered for oil and gas leasing through oral competitive bidding in the Department of Transportation auditorium, 2701 Prospect Ave., Helena, Montana, beginning at 9:00 am, June 5, 2007

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
<b>Blaine</b>								
1	1, 2, 3, 4, 5, 6	28.N	22.E	6	Lots 1, 2, 3, 4, S2N2, S2	638.72	_____	_____
2	1, 2, 3, 4, 5, 6	28.N	22.E	7	All	640.00	_____	_____
3	2, 3, 4, 5, 6, 10	28.N	22.E	16	Lots 1, 2, 3, 4, W2, W2E2	639.04	_____	_____
4	2, 3, 4, 5, 6, 10	29.N	22.E	16	Lots 1 thru 8, E2W2, E2	725.68	_____	_____
5	2, 3, 4, 5, 6, 10	29.N	22.E	36	All	640.00	_____	_____
6	2, 3, 4, 5, 6, 10	29.N	23.E	16	All	640.00	_____	_____
7	2, 3, 4, 5, 6, 10	29.N	24.E	16	All	640.00	_____	_____
8	2, 3, 4, 5, 6, 10	29.N	24.E	36	All	640.00	_____	_____
9	2, 3, 4, 5, 6, 10	29.N	25.E	16	All	640.00	_____	_____
10	2, 3, 4, 5, 6, 10	29.N	25.E	36	All	640.00	_____	_____
11	1, 2, 3, 4, 5, 6	36.N	20.E	36	All	640.00	_____	_____
<b>Golden Valley</b>								
12	1, 2, 3, 4, 5, 6	9.N	19.E	16	All	*	640.00	_____
13	1, 2, 3, 4, 5, 6	10.N	19.E	36	All	640.00	_____	_____
<b>Judith Basin</b>								
14	1, 2, 3, 4, 5, 6	13.N	15.E	8	All	640.00	_____	_____
15	1, 2, 3, 4, 5, 6	13.N	15.E	16	All	640.00	_____	_____
16	1, 2, 3, 4, 5, 6	14.N	15.E	16	E2	*	320.00	_____
17	1, 2, 3, 4, 5, 6	14.N	15.E	22	E2	320.00	_____	_____
18	1, 2, 3, 4, 5, 6	14.N	15.E	26	W2	320.00	_____	_____
19	1, 2, 3, 4, 5, 6	14.N	15.E	29	S2SE4	80.00	_____	_____
20	1, 2, 3, 4, 5, 6	14.N	15.E	32	SE4NW4, NE4, NW4SE4	240.00	_____	_____
<b>Phillips</b>								
21	2, 3, 4, 5, 6, 10	29.N	26.E	16	All	640.00	_____	_____
22	1, 2, 3, 4, 5, 6	31.N	33.E	36	All	640.00	_____	_____

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
23	1, 2, 3, 4, 5, 6, 9	33.N	34.E	15	SW4NE4, W2SE4, SE4SE4	160.00	_____	_____
24	1, 2, 3, 4, 5, 6, 7	33.N	34.E	16	All	640.00	_____	_____
25	1, 2, 3, 4, 5, 6	36.N	32.E	16	All	640.00	_____	_____
<b>Powder River</b>								
26	2, 3, 4, 5, 6, 10	6.S	48.E	16	All	640.00	_____	_____
27	2, 3, 4, 5, 6, 10	6.S	48.E	36	All	640.00	_____	_____
<b>Rosebud</b>								
28	1, 2, 3, 4, 5, 6, 7	6.S	41.E	16	All	640.00	_____	_____
29	1, 2, 3, 4, 5, 6, 7	6.S	41.E	36	Lots 1, 2, 3, 4, W2, W2E2	638.45	_____	_____
30	1, 2, 3, 4, 5, 6, 7	7.S	41.E	16	All	640.00	_____	_____
<b>Wheatland</b>								
31	1, 2, 3, 4, 5, 6	10.N	18.E	36	All	640.00	_____	_____
<b>Yellowstone</b>								
32	1, 2, 3, 4, 5, 6	3.N	23.E	36	All	640.00	_____	_____
33	1, 2, 3, 4, 5, 6, 8	3.N	24.E	16	All	640.00	_____	_____
34	1, 2, 3, 4, 5, 6, 8	3.N	24.E	36	All	640.00	_____	_____
35	1, 2, 3, 4, 5, 6	4.N	24.E	10	E2, SW4	480.00	_____	_____
36	1, 2, 3, 4, 5, 6, 8	4.N	24.E	14	SW4	160.00	_____	_____
37	1, 2, 3, 4, 5, 6	4.N	24.E	16	All	* 640.00	_____	_____
38	1, 2, 3, 4, 5, 6	4.N	24.E	36	All	* 640.00	_____	_____
39	1, 2, 3, 4, 5, 6	4.N	25.E	16	All	640.00	_____	_____

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
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### *Summary by Lessor*

<i>Dept of Natural Resources &amp; Conservation</i>	<i>22001.89</i>	<i>39</i>
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**Total Acres for Lease Sale** 22001.89

**Total Tracts for Lease Sale** 39

\* Part or all of tract is not state-owned surface

Additional lease stipulations are listed on the following pages. The STIP Column on the lease sale list identifies which stipulations will be attached to each tract.

Sight drafts will not be accepted. The State Board of Land Commissioners reserves the right to reject any and all bids. All payments are due within ten days after the date of sale.

Individuals with disabilities needing assistance or special services, please call Julie David at (406)444-4576 at least 1 week prior to the sale.

STATE BOARD OF LAND COMMISSIONERS

## Stipulations

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- 1 Lessee shall notify and obtain approval from the Department's Trust Land Management Division (TLMD) prior to constructing well pads, roads, power lines, and related facilities that may require surface disturbance on the tract. Lessee shall comply with any mitigation measures stipulated in TLMD's approval.
- 2 Prior to the drilling of any well, lessee shall send one copy of the well prognosis, including Form 22 "Application for Permit" to the Department's Trust Land Management Division (TLMD). After a well is drilled and completed, lessee shall send one copy of all logs run, Form 4A "Completion Report", and geologic report to TLMD. A copy of Form 2 "Sundry Notice and Report of Wells" or other appropriate Board of Oil and Gas Conservation form shall be sent to TLMD whenever any subsequent change in well status or operator is intended or has occurred. Lessee shall also notify and obtain approval from the TLMD prior to plugging a well on the lease premises.

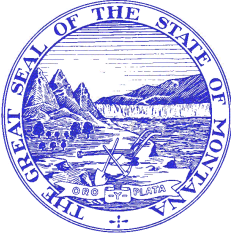
Issuance of this lease in no way commits the Land Board to approval of coal bed methane production on this lease. Any coal bed methane extraction wells would require subsequent review and approval by the board.
- 3 The TLMD will complete an initial review for cultural resources and, where applicable, paleontological resources of the area intended for disturbance and may require a resources inventory. Based on the results of the inventory, the TLMD may restrict surface activity for the purpose of protecting significant resources located on the lease premises.
- 4 The lessee shall be responsible for controlling any noxious weeds introduced by lessee's activity on State-owned land and shall prevent or eradicate the spread of those noxious weeds onto land adjoining the lease premises.
- 5 The definitions of "oil" and "gas" provided in 82-1-111, MCA, do not apply to this lease for royalty calculation purposes.
- 6 If the State does not own the surface, the lessee must contact the owner of the surface in writing at least 30 days prior to any surface activity. A copy of the correspondence shall be sent to TLMD.
- 7 Due to unstable soil conditions on this tract and/or topography that is rough and/or steep, surface use may be restricted or denied. Seismic activity may be restricted to poltershots.
- 8 The lessee is responsible to pay for all damages, including penalties and charges assessed by the USDA-CFSA on CRP lands, as a result of drilling and production on the tract.
- 9 Due to the floodplain/wetlands area(s), surface use may be restricted or denied.
- 10 This lease includes areas that may be environmentally sensitive. Therefore, if the lessee intends to conduct any activities on the lease premises, the lessee shall submit to TLMD one copy of an Operating Plan or Amendment to an existing Operating Plan, describing in detail the proposed activities. No activities shall occur on the tract until the Operating Plan or Amendments have been approved in writing by the Director of the Department. TLMD shall review the Operating Plan or Amendment and notify the lessee if the Plan or Amendment is approved or disapproved.

After an opportunity for an informal hearing with the lessee, surface activity may be denied or restricted on all or portions of any tract if the Director determines in writing that the proposed surface activity will be detrimental to trust resources and therefore not in the best interests of the trust.

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# DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

## Trust Land Management Division



BRIAN SCHWEITZER, GOVERNOR

1625 ELEVENTH AVENUE

DIRECTOR'S OFFICE (406) 444-2074  
TELEFAX NUMBER (406) 444-2684

PO BOX 201601  
HELENA, MONTANA 59620-1601

TO ALL INTERESTED PARTIES:

RE: September 5, 2007 Oil and Gas Lease Sale

In order to give as much advance notice as possible, this notice is to advise that the date of the September 2007 Oil and Gas Lease Sale has been set for **WEDNESDAY, SEPTEMBER 5, 2007**, at 9:00 A.M. in the auditorium of the Department of Transportation building at 2701 Prospect Avenue, Helena, Montana, east of the interstate highway. Please call the Department of Natural Resources and Conservation for detailed directions, if necessary.

The deadline filing date for submitting applications on tracts to be nominated for the sale in September is 5:00pm on June 26, 2007. Applications must be received in this office by that date. If you have any questions, please contact me at [jdavid@mt.gov](mailto:jdavid@mt.gov) or (406) 444-4576.

Julie David, Supervisor  
Mineral Leasing Section  
Minerals Management Bureau